Meeting: 8/21/19 Agenda Item No.9



City of Santa Barbara Airport Department

DATE:

August 21, 2019

TO:

Airport Commission

FROM:

Henry Thompson, Airport Director

SUBJECT:

Lease Agreement - Big Sale Group, Inc.

RECOMMENDATION:

That Commission approve and authorize the Airport Director to execute a two (2) year Lease Agreement plus three (3), one (1) year options to extend, at the mutual agreement of all parties, with Big Sale Group, Inc., a California Corporation, for approximately 2,300 square feet of combined office/warehouse space in Building 4, Suite B, at 6100 Hollister Road, at the Santa Barbara Airport, commencing September 1, 2019, for a monthly rental of \$3,795, exclusive of utilities and CAM charges. The automatic options are predicated on Lessee's compliance with all lease terms.

DISCUSSION:

The subject Premises are located in the Airport's new light industrial development north of Hollister Avenue in an Airport Industrial (A-I-1) zone, at 6100 Hollister Avenue.

Big Sale Group, Inc., owned by Brent Dill, is an ecommerce company that intends to utilize the space for storage, offices, and order fulfillment. Their business involves selling closeout, liquidation, and overstock items. They currently operate in San Luis Obispo and desire a central coast location. The use conforms to existing zoning. The business will operate Monday through Friday from 8am to 6pm.

The proposed monthly rental is based on a rate of \$1.65 per square foot, which is within the parameters of lease rates approved by the Commission. An annual CPI increase with a floor of 3% and a ceiling of 8% applies for each year of the term and options.

In addition, Big Sale Group, Inc. will pay monthly utility charges of \$22.51 for water and \$15.09 for sewer, or the metered amount, whichever is greater, as well as electrical and a CAM rate of \$.08 per square foot.

PREPARED BY: Business Development/Properties

ATTACHMENT: Map

